

Colombia Forestry Development Program

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TABLE OF CONTENTS

I.	Background	3
II.	Executive Summary	4
III.	Improved Forest Policy	4
IV.	Support to Plan Colombia	5
V.	Improving Forest Products Production Chains	8
VI.	Commercial Forestry Development Fund	11
VII.	Progress Toward SO2 Goals	14
VIII.	Program Management and Support Activities	16

PAGE 2 OF 16 JULY-SEPTEMBER, 2005

Quarterly Report Number 8 (July-September 2005)

I. Background

In August, 2003, USAID awarded the three-year \$22.7 million Colombia Forestry Development Program (CFDP) to Chemonics International. The program aims to expand the production of marketable and profitable forest products that increase incomes throughout the forestry sector and provide alternative sources of income to the rural communities where forestry activities are centered. An increase in profitable activities in the forest sector creates real economic alternatives to illicit crops.

CFDP will assist in developing a viable commercial forestry sector and in catalyzing productive investments in four priority zones that offer reasonable access to markets, forest sector support services and production chains. Assistance will focus on connecting sustainable production chains to domestic and international markets. Local assistance is provided by Chemonics' subcontractors, which include *Araujo Ibarra y Asociados*, Econometría, the *Corporación Nacional de Investigación y Fomento Forestal* (CONIF), Gómez Chica, *Dattis Comunicaciones* and the World Wildlife Fund, among others.

CFDP priority zones are located in Bajo Magdalena, Bajo Atrato-Urabá, the Southwest Pacific Coast and Northeastern Antioquia. The regions were selected because they contain considerable forest resources, suffer from increasing cultivation of illicit crops and have defined markets for forest products.

Program activities focus on four components:

- 1. <u>Forest Policy</u>: CFDP has improved knowledge about constraints imposed on the commercial forestry sector because of inadequate and inappropriate policies and is working to support necessary policy reform.
- 2. <u>Plan Colombia</u>: CFDP is assisting Plan Colombia in making its *Familias Guardabosques* program more sustainable and effective.
- 3. <u>Improved Forest Product Production Chain</u>: CFDP is providing assistance to all segments of the forestry production chain to improve conversion efficiency and utilization of raw materials. A "Co-Investment Fund" serves as the primary vehicle for providing this assistance, through technical assistance at the pre-investment stage, as well as co-financing of initial project investments for selected projects with favorable costbenefit ratios.
- 4. <u>Commercial Forestry Development Fund</u>: CFDP also provides additional assistance to support viable and responsible commercial forestry incentives outside the four priority zones.

PAGE 3 OF 16 JULY-SEPTEMBER, 2005

Significant program results include establishing 15,000 hectares of industrial plantations and agro-forestry, establishing three wood processing centers, creating 500 new jobs and benefiting 3,000 families.

II. Executive Summary

The following bullets highlight the major events and accomplishments of CFDP during the quarter.

- Completed 16 business plans for co-investment activities under Component Three.
- Sent 6 co-investment grant applications to USAID for approval.
- Completed forestry inventories for all natural forest areas.
- Began planting with FGB beneficiaries in Urabá.
- Continued building consensus around needed changes to the Senate-approved version of the forestry law and supporting public forums on the law.
- Completed the majority of all Environmental Reviews and submitted the first Forestry Management Plan for review by USAID.
- Received a stop work order for activities under Component Three.
- Began developing a transition plan for all Component Three activities to USAID's new MIDAS contractor.

CFDP Key Indicators Generated to Date

Indicator	Quarter 3 CY 2005	Cumulative
Families Benefited	2,091	3,781
Jobs Created	43	190
Hectares of Plantations/Agroforestry	481	481
Institutions Strengthened	16	29

Next Quarter. During the next quarter, CFDP plans to accomplish the following:

- Implement the bridging projects approved by USAID for FGB and plantation activities.
- Receive approval for and begin implementing forestry management plans for Bajo Mira y Frontera and Corpourabá.
- Complete three additional forestry management plans and gain USAID approval.
- Support marketing events for environmentally friendly products.

III. Improved Forest Policy

The current session of Congress was convened on July 20th. However, as of the end of the quarter the forestry bill had not been brought to the floor of the *Cámara* for debate. This was due to the uncertainty surrounding the fate of all governmental bills given the possibility of reelection. Once reelection is decided during the next quarter, CFDP hopes the *Cámara* will debate and pass the bill.

PAGE 4 OF 16 JULY-SEPTEMBER, 2005

If the bill is passed by the *Cámara*, it will then need to pass through a subsequent reconciliation process, due to differences between the Senate and House versions of the bill. If the reconciliation successful, the bill is expected to become law, at which time relevant Ministries (Environment and Agriculture) are expected to lead processes geared toward developing corresponding regulations. CFDP plans to support this process throughout, facilitating participatory processes that maximize the chance of acceptance and success.

In addition, CFDP supported several public events and fora to stimulate broad discussion on the



CONIF's Camilo Aldana opens the academic forum.

forestry bill. On August 25, CFDP supported a forum for indigenous and Afro-Colombian groups to express their concerns on the bill. Some 178 community representatives attended. On August 26, CFDP supported an academic forum to discuss the legal and forestry aspects of the bill. International experts from several Latin American countries presented their nations' experiences with forestry management. The forum drew an audience of approximately 160 people. On September 2, CFDP supported another forum on the bill in Quibdó. Some 285 representatives of Afro-Colombian communities attended.

CFDP has also attempted to improve the press coverage of the bill, seeking ways to ensure that major media outlets might be provided with balanced information reflecting all viewpoints. As a result, press on the forestry bill during the quarter has become more equilibrated. Several critical articles were included by

environmental groups and several positive articles were published by major newspapers. In addition, both Ministers came out strongly in support of the forestry bill in the media.

IV. Support to Plan Colombia

In an effort to forge links with private partners and maximize the chances of sustainability, CFDP has facilitated the entry of several FGB projects into the CFDP co-investment fund process. As a result, all Urabá FGB projects involved in fast-tracking had begun producing plant material to meet the growing season time restrictions while finalizing their business plans. When CFDP received the Component 3 Stop Work Order, the projects already had seedlings that were ready to plant. The delay in planting caused by the Stop Work Order generated limited losses of plant material. The following chart lists the losses suffered by each operator.

Project	Lost Seedlings	Lost Hectares	Commercial Loss
Irrimer	16,800	15	8,765
Incuagro - forestal	84,400	100	29,435
Incuagro - rubber	11,000	20	9,565
TOTAL	112,200	135	\$47,765

PAGE 5 OF 16 JULY-SEPTEMBER, 2005

A. Familias Guardabosques – Urabá

In conjunction with the GOC's Familias Guardabosques Program, CFDP is supporting agroforestry efforts in Turbo and Necoclí. CFDP resources will be used to establish 40 hectares of demonstration plots containing cocoa, rubber, plantains and wood-producing trees such as oak, cedar, teak and walnut. The plots are being used to train beneficiaries on the technological package for each crop and the nurseries will eventually serve as a source of income for the communities that pooled their own capital, along with co-financing provided by CFDP to establish them.

During the quarter, CFDP established 25 of the 40 hectares originally designated for the demonstration parcels. Approximately 340 beneficiaries have received training on the parcels.

CFDP has also supported the establishment of eight community enterprises in the region. These businesses will handle all business planning, operations, and commercialization activities of the projects. CFDP provided training on enterprise development during the quarter and will continue to do so during the next quarter.

1. Irrimer

During the quarter, CFDP supported development and completion of a business plan for 900 hectares of cocoa benefiting FGB participants. Irrimer, a Colombian operator with extensive agroforestry experience, expressed interest in implementing the project.



FGB beneficiaries planting teak seedlings.

Following Irrimer's visits to project sites, research into the business potential presented by nascent community enterprises and associated land and agro-climatic conditions, the firm developed draft and final business plans and associated grant proposal aimed at participating in the CFDP Co-Investment Fund. When the Stop Work Order for Component 3 was received, this project was put on hold. If approved by USAID, CFDP hopes to support bridging activities for this project until MIDAS can take over in early 2006.

2. Incuagro – rubber

During the quarter, CFDP supported development and completion of a business plan for 600 hectares of rubber benefiting FGB participants. Incuagro, a quasi-private operator closely linked to Plan Colombia, expressed interest in implementing the project. By the end of the quarter, Incuagro had completed revised final draft business plans and grant proposals, for both CFDP's Co-Investment Fund and also for funding from Plan Colombia's own sources. When the Stop Work Order for Component 3 was received, this project was put on hold. If approved by USAID, CFDP hopes to support bridging activities for this project until MIDAS can take over in early 2006.

PAGE 6 OF 16 JULY-SEPTEMBER, 2005

3. Incuagro – plantations

During the quarter, CFDP finished a business plan for 2,400 hectares of commercial reforestation benefiting FGB participants. Incuagro, a quasi-private operator closely linked to Plan Colombia, expressed interest in implementing the project. By the end of the quarter, Incuagro had completed revised final draft business plans and grant proposals, for both CFDP's Co-Investment Fund and for funding from Plan Colombia's own sources. When the Stop Work Order for Component 3 was received, this project was put on hold. If approved by USAID, CFDP hopes to

support bridging activities for this project until MIDAS can take over in early 2006.



Nursery worker with rootbound melina seedling.

B. Familias Guardabosques - Santa Marta

During the quarter, CFDP received a grant proposal to extend the Red Ecolsierra project to an additional 350 FGB families through the auspices of the *Federación de Cafeteros del Magdalena*. However, given instructions by USAID, the grant was halted. Once news on the transition plan is received CFDP's further support of the organic projects on the Sierra with FGB will be defined.

1. Red Ecolsierra

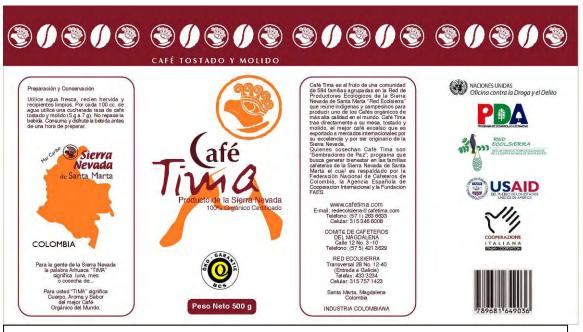
CFDP's grant to Red Ecolsierra is to establish demonstration plots containing organic coffee, organic cocoa and wood-producing shade trees in coordination with the United Nations. After the communities have received technical training and assistance on the plots, *Red Ecolsierra* will establish 100

hectares of organic cocoa and wood-producing shade trees and an additional 50 hectares of organic coffee and wood-producing shade trees. The cocoa will be marketed through Daabon, the coffee through the *Federación de Cafeteros de Magdalena* and the wood will be marketed regionally.

During the quarter, Red Ecolsierra delivered the plant material for the 150 hectares of cocoa to FGB families and began distributing the wood-bearing tress (cedar, mahogany, walnut, oak) that will provide shade for the cocoa once the transitory crops (plantains, corn) have been exhausted. Red Ecolsierra also conducted extensive soil testing on the lands belonging to program beneficiaries in order to tailor the technological packages for the agroforestry arrangements. In addition, FGB beneficiaries were provided with extensive training on organic composting, micro-business topics, honey cultivation and agroforestry techniques.

The marketing package for the project's coffee and honey were also developed and the UN has begun commercialization efforts for other non-FGB beneficiaries associated with the project. Once CFDP's FGB beneficiaries begin production, they will be able to take advantage of this marketing outlet.

PAGE 7 OF 16 JULY-SEPTEMBER. 2005



Design of coffee package for Red Ecolsierra-UN-CFDP Project.

2. Fundeagro/Daabon

In accordance with the Sierra's interest in organic production, CFDP received a business plan and grant proposal for an agroforestry project tied to *Familias Guardabosques* from Daabon, (one of the region's premier organic marketing companies). The project initially involves 400 hectares of organic certified cocoa grown in combination with tree species which provide permanent shade and long-term revenue opportunities. The project aimed to qualify for grant financing through CFDP's Co-Investment Fund and was correspondingly affected by the stop work order.

V. Improving Forest Products Production Chains

During the quarter, CFDP received business plans for 16 projects as part of its co-investment portfolio. CFDP's *Junta Asesora* met on August 22 to review the first round of business plans. Seven were approved for final submission to USAID: CIMAT, Fundeagro, Madeflex, La Luz del Retiro, Selva Húmeda, El Guásimo and Madeurabá. During the next three weeks, six were submitted to USAID and another five were in translation. Grant worthiness assessments were completed on all grant applicants.

On September 12, CFDP received a stop work order for all activities under component three. After telephone discussions this order was amended to exclude currently contracted natural forestry activities. USAID requested that CFDP begin work on a transition plan that would transfer all co-investment activities to the new MIDAS project. CFDP immediately began work on the plan. CFDP also assembled the grant application packages for the remaining five grants that had yet to be sent to USAID. At the close of the quarter, all 11 grant applications had been completed and are awaiting the arrival of the MIDAS team.

PAGE 8 OF 16 JULY-SEPTEMBER, 2005

In addition, USAID began meetings with the co-investment proponents to explain the contents of their letter, informing proponents that their projects would be transferred to MIDAS for possible implementation. The first meeting was held on September 28 in Medellín. Several other meetings were scheduled for early in the next quarter.

A. Bajo Atrato – Urabá

In Urabá, the stop work order affected the following projects: La Luz del Retiro, Proban, Madeurabá (PRODES), Vivero Selva Húmeda, FGB co-investment (discussed previously) and Proforest. During the next quarter, CFDP will work closely with USAID to communicate possible next steps for collaboration with project beneficiaries under MIDAS. The region's natural forestry activities remained active.

1. Corpourabá

Afro-Colombian communities, through Corpourabá, continue to develop a sustainable forest management plan for 26,529 hectares of natural forest, benefiting an estimated 1,000 families and creating 130 jobs. During the quarter, Corpourabá and associated communities completed the forest inventory and completed the Forestry Management Plan. The plan was submitted to USAID and the CAR for review and as the quarter closed approval is still pending from the both.

Corpourabá also helped the communities to update their *reglamentos internos* governing natural resource use. In addition, Corpourabá designed a training program for the nascent community business that will handle forestry production. The training program covers the environmental, administrative, business and social skills required to assure successful operations.

In addition, Cocomacia, the community organization, signed a supply agreement with Prodes that commits the two groups to look for ways to link Cocomacia's wood to Prodes' associated transformation centers.

During the next quarter, CFDP expects that the management plan will be approved by USAID and the CAR and the first annual harvest will take place.

2. Organización Indígena de Antioquia (OIA)

The indigenous communities associated with the *Organización Indígena de Antioquia* continue developing their forest management activities. Under this sub-contract, OIA is completing a sustainable forest management plan covering some 13,000 hectares of forest, benefiting 800 families and generating 100 jobs.

During the quarter, OIA finalized their forest inventories and forestry management plan. The management plan was sent to Corpourabá and will be sent to USAID for approval shortly. In addition, OIA began work on a business plan for their forest resources and consulted widely for pertinent marketing information. They also established an agreement with SENA to provide

PAGE 9 OF 16 JULY-SEPTEMBER, 2005

training on forest harvesting techniques and business skills, for eventual use in an indigenous forestry company.

During the next quarter, OIA will submit its forestry management plan to USAID for approval. It will also finalize plans for the first harvest and continue the aforementioned training programs.

B. Pacific Southwest

In the Southwest, the stop work order affected the implementation of two industrial parks: CIMAT and Buenaventura. During the next quarter, CFDP will work closely with USAID to communicate possible next steps for collaboration with project beneficiaries under MIDAS. The region's natural forestry activities remained active.

1. Bajo Mira y Frontera

CFDP has supported local community organizations in developing a natural forestry management plan for 9,705 hectares and established a community enterprise with the *Consejo Comunitario de Bajo Mira y Frontera*. The project is benefiting an estimated 1,606 families.

During the quarter, the plan was completed and submitted to USAID and Corponarião for approval. On July 17th, Corponarião approved the management plan and on August 9th they approved the harvesting plan. At the end of the quarter the plan remained under revision by USAID. The community also formed their own community enterprise and signed a supply agreement with the Tumaco sawmill, CIMAT, a co-investment project stopped by the USAID stop work order.



Work on first harvest census in Bajo Mira

During the next quarter, CFDP will provide technical support for the first harvest and provide extensive low-impact harvest training to community members. If approved by USAID, assistance will also be given to the community forestry enterprise as it prepares and executes the first harvest.

2. Alto Guapi - Semillas de Agua

CFDP is also supporting local communities and organizations in developing a management plan and

community forest enterprise with the *Consejo Comunitario de Alto Guapi* through subcontractor *Semillas de Agua*. This effort will result in the management of 23,000 hectares of natural forest and benefit 450 families.

PAGE 10 OF 16 JULY-SEPTEMBER, 2005

During the quarter, Semillas de Agua completed the statistical inventory and the census for the first year's harvest. They also trained community members on natural forestry topics such as planning, compass use, topography and dasometric evaluation.

During the next quarter, Semillas de Agua will complete the forestry management plan and forward it to CRC and USAID for approval. It will also begin work on the carpentry component of the project in Guapi.

3. Docampadó - Bioexp

Early in the quarter, CFDP signed a contract with Bioexp to sustainably manage 10,000 hectares of natural forest in coordination with 820 family beneficiaries in Docampadó, Chocó. During the quarter Bioexp completed the statistical inventory, provided training on forestry inventories to community members, elaborated a socioeconomic diagnostic and trained community members on community forestry management.

During the next quarter, Bioexp will develop the forestry management plan for submission to Codechocó and USAID and will continue to provide training to community members.

C. Bajo Magdalena

In Bajo Magdalena, the stop work order affected the region's entire project portfolio: Refocosta, Madeflex, Pizano, Daabon, FGB co-investment (discussed previously) and Aprocosne. CFDP will strive to minimize plant losses of those projects involved in fast-track and additional costs stemming from fast-track soil preparation activities. During the next quarter, CFDP will work closely with USAID to communicate possible next steps for collaboration with project beneficiaries under MIDAS.

D. Northeastern Antioquia

In Northeastern Antioquia, the stop work order affected the region's entire project portfolio: Propal, *Reforestadora El Guásimo* and *USM Ingenieros*. El Guásimo was the only project involved in fast-tracking and is planning to plant its seedlings on lands that have already been harvested, thus minimizing plant losses. During the next quarter, CFDP will work closely with USAID to communicate possible next steps for collaboration with project beneficiaries under MIDAS.

VI. Commercial Forestry Development Fund

CFDP's Commercial Forestry Development Fund supports a broad variety of grants targeted at improving the national forestry sector. These grants support institutional strengthening, marketing and research activities.

PAGE 11 OF 16 JULY-SEPTEMBER, 2005

A. CAR Institutional Strengthening

All seven CAR pilot projects began implementing fully during the quarter. CFDP has been providing regular follow-up on all activities and additional technical assistance as necessary.

1. ASOCARS

The ASOCARS grant supports the design of an information system that collects data on the forestry chains in nine CARs and facilitates the exchange of this information between them. During the quarter, ASOCARS finished their analysis and variable identification for the three links in the forestry chain. They also developed a website for their information system: www.asocars.org.co/CadenaForestal.

2. Corpourabá

The Corpourabá grant has the following components: 1) implement a system of forest regents who will monitor extraction activities and assure that sustainable practices are being used, 2) develop technical guides on sustainable forestry management and 3) design a forest information system including forestry statistics and cartography. During the quarter, Corpourabá accomplished the following: 1) adjusted the regulations for the forestry regents program prior to submitting it for approval, 2) is close to finishing the guides for natural forest management and 3) developed a database design to host the information system.

3. Corpamag

CFDP's grant to Corpamag contains the following components: 1) provide training on natural forest management to communities on the Río Frío and 2) promote reforestation and provide forestry training to farmers in four municipalities. During the quarter, Corpamag began contracting necessary personnel and purchasing equipment.

4. Corponariño

The Corponariño grant provides training to 46 community councils in Nariño on sustainable natural forest management, agroforestry, reforestation and regulations. To date, Corponariño has developed a work plan and contracted the necessary personnel. Work on the forestry diagnostic is scheduled to begin early in the next quarter.

5. CRC

CFDP's grant with CRC contains the following components: 1) develop internal regulations with community councils in Guapi and Timbiquí, 2) socialize internal regulations with the *veredas* in each council and 3) provide training on sustainable forestry management to the community councils. During the quarter, CRC met with members of the two communities to socialize the internal regulation process and begin initial work. They also trained their own staff in the use of GIS systems and hired the necessary staff for the project.

PAGE 12 OF 16 JULY-SEPTEMBER, 2005

6. Corantioquia

Corantioquia's grant 1) addresses normative aspects of its forestry regulation pertaining to natural and plantation forests and 2) audits *Plan Laderas*, a reforestation effort on the mountains surrounding Medellín, to determine next steps in promoting regional reforestation. During the quarter Corantioquia prepared terms of reference for both activities. Implementation of the two activities will begin during the next quarter.

B. Support to Fedemaderas

During the quarter CFDP continued offering technical assistance targeted to strengthen Fedemaderas. In order to better define Fedemaderas' mission, CFDP began interviewing Fedemaderas' affiliates to gauge the services they seek from the association. In addition, CFDP began a benchmarking of international forestry trade associations and other national associations to examine possible services and roles for Fedemaderas. The results of both studies will be available early in the next quarter. CFDP also conducted an overhaul of Fedemaderas' website, bulletin and accounting procedures and has begun improving them. Finally CFDP supported spokesperson training for Fedemaderas and began work on a Fedemaderas' communications strategy, scheduled to be finished during the next quarter.

C. Marketing Initiatives

1. Wood Properties and Uses Marketing Database

The International Tropical Timber Organization (ITTO) has given CFDP permission to use and update its database with species common to CFDP's two natural forest regions. The database will allow potential buyers to view characteristics of the species and made informed decisions on their use and market potential. During the quarter, CFDP finalized the database and uploaded the information onto a website, www.maderasdecolombia.org. Sinchi, Fedemaderas and CONIF have agreed to update the database after CFDP's contract expires. During the next quarter,

CFDP will continue to update the website design to make it more user-friendly and will fulfill their commitment of sending information on 144 Colombian tree species to the ITTO. Sinchi will also publish a tree identification field manager for forestry engineers.

2. CIDICO

To increase the value of products harvested from pine plantations, CIDICO's grant stimulates the domestic market for wood construction. The grant focuses on the following areas: 1) improving designs with well-dimensioned and graded structural lumber, MSD, 2) supporting technology transfer, 3)



Community training on forestry management.

PAGE 13 OF 16 JULY-SEPTEMBER, 2005

promoting pilot projects using wood and 4) exploring policies, rules, codes and financing affecting construction companies using wood. During the quarter, CIDICO organized the companies that volunteered to work with MSD wood in construction. In addition, CIDICO developed two housing prototypes and plans to begin construction during the next quarter. CIDICO also held a seminar on housing design using MSD in Medellín, Cali and Armenia.

D. Reforestadora San Sebastian (RESS) - Genetics

The RESS grant achieved its objectives during the last quarter and is being closed out.

E. Monterrey Forestal

CFDP's grant with Monterrey Forestal supports a feasibility study and develops a Project Design Document (PDD) that will be used to access international carbon trading markets. Monterrey Forestal is coordinating closely with the Ministry of Environment's Office of Climate Change. The PDD will allow Colombian forests access to the funds generated by carbon markets, thus providing an important additional resources for forest operations. The project focuses on three original areas of geographic interest: Medio Atrato, Urabá and Zambrano, Bolivar.

During the quarter, field work began, initially focused in Bolivar. The Monterrey Forestal team gathered a database on available lands, soil use, socioeconomic data and the species apt for carbon sequestering that grow well in the region. In addition, they developed a baseline, a carbon accounting methodology for the region and growth rates for the applicable species. During the next quarter, Monterrey plans to finish the field work in the remaining regions.

VII. Progress Toward SO2 Goals

During the quarter, CFDP met and surpassed its contractually targeted goal for families benefited, due to the increased activity in the FGB component. The hectares for agroforestry and plantations also increased due to FGB plantings. Note that given the stop work order on Component Three activities, the main generator of CFDP indicators, the contractual goals will need to be renegotiated.

CFDP Contractual Goals Indicators Generated to Date

Indicator	Quarterly	Cumulative	Contractual Goals
Jobs Created	43	190	500
Families Benefited	2,091	3,781	3,000
Industrial Parks Created/Productive			
Infrastructure	-	-	3
Hectares of Agro-forestry and Plantations	481	481	15,000
Policies and Incentives Reviewed and			
Diffused	-	2	1
New Markets Identified	_	-	3
Increased Percent Usable Wood	_	-	50%

PAGE 14 OF 16 JULY-SEPTEMBER, 2005

Increased Value Per M3 of Wood Sold	ı	-	TBD^1
Higher Quality Standards Applied	-	-	25%

In addition to its contractual goals, CFDP monitors other indicators included in its technical proposal, such as hectares of natural forest under management and indicators such as institutions strengthened that are requested by USAID.

Other CFDP Indicators Generated to Date

Indicator	Quarterly	Cumulative
Hectares of Natural Forest Under Management	0	9,705
Institutions Strengthened	16	29

Progress on Natural Forest Management Scale (Hectares)²

Operator / Area	Rapid Diagnostic	Signed Agreement with Communities	Forest Inventory Completed	Management Plan Developed	Management Plan Approved by CAR	Harvesting According to Plan
Bajo Mira y Frontera					9,705	
Semillas de Agua / Alto Guapi				23,000		
Bioexp/Docampadó				10,000		
Corpourabá / Vigía del Fuerte - Murindó					26,529	
OIA /Chigorodó - Mutatá					13,000	
Total				33,000	49,234	

PAGE 15 OF 16 JULY-SEPTEMBER, 2005

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¹ The increase in value per cubic meter will be monitored and reported on, but no specific percentage was specified. However since this indicator was tied to the industrial parks, it will need to be renegotiated.

² This six step scale was developed to show when natural forests could be considered well-managed. CFDP believes that

² This six step scale was developed to show when natural forests could be considered well-managed. CFDP believes that harvesting according to the management plan is the last step in this process, given the program's timeframe. Green indicates the step has been completed, yellow indicates that it is in process.

In July 2005 USAID introduced other indicators, as noted in the following table.

July 2005 Indicators

Indicator	Quarterly	Cumulative
SMEs receiving assistance	16	16
Communities signing coca-free agreements	111	111
Families included under coca-free agreements	2,254	2,254
Proportion of client families coca-free	100	100
Private sector funds leveraged	0	112,242
Public sector funds leveraged	0	73,587

VIII. Program Management and Support Activities

A. Grants and Contracts

During the quarter, major contracting activities included: 1) signing contract with Bioexp, 2) altering the grants manual to include the co-investment process 3) provide support to transition plan and 4) contract and grant follow-up.

B. Budget Modification

On June 29, CFDP submitted a budget modification reflecting its revised work plan submitted in February 2005. The budget modification was signed on September 7. As a result of the stop work order, CFDP anticipates preparing a transition plan, work plan and budget modification during the next quarter.

C. Communications

During the quarter, CFDP launched its website: www.pcforestal.org. CFDP communications subcontractors began a variety of activities aimed at providing support to the law, generating one-pagers, revising communications strategies and developing other communications tools.

D. Environmental Compliance

During the quarter, CFDP submitted FRAs on all projects to USAID for approval. Some of these activities were halted as a result of the stop work order. CFDP also submitted its first Forestry Management Plan for Bajo Mira y Frontera for review.

E. Monitoring and Evaluation

On August 22, CFDP submitted their Revised Performance Monitoring Plan to USAID for revision. This revised plan included the new indicators requested by USAID in June 2005.

PAGE 16 OF 16 JULY-SEPTEMBER, 2005